to promote and achieve higher growth as announced in the Union Budget 2001-02 *inter alia* include speeding up of agricultural reforms; intensification of infrastructure investment, continued reform in the financial sector and capital markets, and deepening of structural reforms; human development through better educational opportunities and programmes of social security; improvement in the quality of Government expenditure; acceleration of privatisation process and restructuring of public enterprises etc. Policy initiative announced in the Budget are expected to have a favourable impact on growth during the current year.

Enquiries pending against M/s. U.B. Group

253. SHRI DILIP SINGH JUDEV:
SHRI RAJU PARMAR:

Will the Minister of FINANCE be pleased to refer to the answer to Unstarred Question 67 given in the Rajya Sabha on 20th February, 2001 and state:

(a) whether Government propose to mobilise other channels for completion of pending enquiries, in regard to violation of FERA, initiated in U.K. and also direct the U.B. Group to furnish all the relevant information required by the Enforcement Directorate without any excuse;

(b) whether Government have since examined the available evidence and material;

(c) if so, the outcome thereof;

(d) if the answer to part (b) above be in the negative, the reasons for delay; and

(e) by when, the investigations are likely to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) The inquiries into allegations of FERA violation by M/s U.B. Group have since been completed.

(b) The available evidence and material have been examined by the Directorate of Enforcement.

(c) A show Cause Notice has been issued to M/s U.B. Group and Vijaya Malaya by the adjudicating authority.

(d) and (e) Do not arise.

Persistence of Budget Deficit

254. SHRI KARNEUDU BHATTACHARJEE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the World Bank have in a report warned the country that the persistence of huge Budget deficit will restrain the economic growth of the country;

(b) if so, what are the details of the report; and

(c) the steps proposed to be taken by Government to address the problems highlighted in the report?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) to (c) The World Bank Country Report entitled "India: Reducing Poverty, Accelerating Development" (January 2000) in Chapter 8; Growth; macro-economic Developments and Policies have made following observations: "The high deficits have several adverse effects. They crowd out private sector borrowing keep interest rates higher than they would otherwise be, raise risks of macro-economic instability, and crowd out public development spending within Government budgets because of the high interest cost of the large stock of Government debt. Hence the high fiscal deficits represent a risk to the development process and its sustainability". With a view to achieve fiscal consolidation, the Budget for 2001-02 emphasises expenditure management throught the process of bringing about structural changes in the composition of Central Government expenditure, economy in non plan revenue expenditure while improving the quality of expenditure. To this end the Budget contains a number of initiatives which among others include restricting fresh